

CORONAVIRUS IMPACT

AmCham “how-to” guide

A message from Lewis M. Eisenberg, U.S. Ambassador to Italy and San Marino

Dear AmCham Members

COVID-19 has presented us with a unique challenge, not just here in Italy, but also the United States.

Businesses like yours are dealing with a unique set of circumstances.

Prime Minister Conte and President Trump have been dealt a difficult hand; and they are facing tough decisions to keep our people safe and our economies strong.

Here in Italy, AmCham members are critical to the diplomatic efforts of the United States. President Luca Cordero di Montezemolo and Managing Director Simone Crolla are leading a team of business All-Stars. As opportunities unfold, their contributions are sure to be legendary.

The U.S. Embassy and Consulates across Italy, despite constraints, continue to operate at full steam. Many of our staff are operating from home but delivering more than a full day of work. I'm overwhelmed by the ethic the State Department has developed over time, and the incredible industry of our Italian local staff.

A friend of mine who is well known in Italy, and abroad, recently told me something that deeply resonated with me: "I believe this crisis is a great opportunity to renew our democracies, to restart our work together, to strengthen our Alliance against the new enemy – using science as a platform."

This is not an op-ed but a statement at a point in time. We will get through this. We will look back at recorded history and learn that Italy and the United States stood together, once again, to overcome a crisis.

Thank you AmCham members for helping blaze the path to winning the battle against COVID-19.

Buona fortuna

Auguri

Lewis M. Eisenberg
U.S. Ambassador to Italy and San Marino

UPDATE AMCHAM ACTIVITIES

With its [Observatory on Coronavirus](#), AmCham Italy remains at its Members' side, as promised. The webpage offers updates and useful resources to help you monitor the situation, along with a wealth of necessary information on how to best deal with the issues that have arisen in connection with the COVID-19 outbreak.

In particular, we have published the results of our [survey](#), conducted with the contribution of some

of our Members. The survey examines the measures that they have taken to ensure business continuity and, at the same time, their thoughts on prospects for the future.

These new pages have also been online for a few days: [Specialized Guidance from our Members](#), [Legal and Tax Issues](#) and [#Fermiamoloinsieme. Donate to help fight Covid-19](#).

Remember that our **AmCham TASK FORCE** is working to ensure you receive our full support and exhaustive information at this time. You may contact the following task force members:

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GOVERNMENT MEASURES

In the wake of the three Decrees issued by the President of the Council of Ministers last week, the Italian government approved [Decree-Law no. 18 of March 17th, 2020](#) to support residents and workers in this crisis.

The Decree focuses in particular on the following areas:

- **Funding** and other measures to **strengthen the National Healthcare System, the Civil Protection Department** and other public bodies involved in the emergency;
- **Employment benefits** and job protection and income assistance for workers;
- **Credit assistance** for residents and micro, small and medium-sized companies, through banks and using the central guarantee fund;
- **A moratorium on tax and social security payments**, as well as other requirements, along with tax incentives to disinfect workplaces and bonuses for employees who remain on the job.

Overall, the Decree-Law authorizes **the issue of up to Euro 25 billion in Italian treasury bonds for 2020**. The maximum amount of treasury bonds that can be issued in Italy and abroad, net of those already outstanding and those for the settlement of debt, has therefore increased from Euro 58 to 83 billion (for this year).

Finally, **the constitutional referendum on the reduction in the number of members of Parliament** has been postponed until mid to late September. The regional and municipal elections have not been rescheduled.

After these initial directives, on Saturday, March 21st, the Prime Minister signed [another Decree](#) with additional restrictions to slow the spread of coronavirus, entailing the closure of non-essential production activities, while guaranteeing assistance services.

MEASURES IN THE US

[Strong & United, We Will Prevail!](#)

[Trump's solution](#) to the emergency is a "stimulus package" that could come close to \$1.3 trillion, as [explained by Treasury Secretary Steven Mnuchin](#), considering the 90-day tax extension for the \$300 billion due to the IRS.

The White House sent lawmakers a **request for emergency funding** to:

- increase medical care for military personnel;
- fund the development of vaccines;
- build 13 quarantine centers for migrants on the southern border;
- refund Amtrak to cover the railroad company's expected losses;
- earmark \$250/300 billion in aid to small companies, in addition to [unemployment benefits and free coronavirus testing](#) for the general population.

The Trump Administration is also considering a **helicopter money** solution to [send checks](#) directly to Americans within the next two weeks to **stimulate and help households and businesses** affected by the sudden economic slowdown.

Finally, as AmCham had recommended these past few weeks to the Italian government, President Trump announced that he would invoke the [Defense Production Act](#), which is normally used in war and which enables the Government to ask **companies to convert production** to manufacture goods that are needed in times of crisis.

[Click here](#) to read President Trump's remarks.

The [US Chamber of Commerce](#) is in favor of the Administration's extraordinary and unprecedented measures (Insert Link to the "US Chamber") and its President Thomas J. Donohue has asked for additional efforts to protect the Country's small and medium-sized companies by easing their tax burden and facilitating access to credit in order to overcome the difficulties at hand.

THE GLOBAL CONTEXT

In addition to the [Johns Hopkins University](#) map and the [Worldometer](#) one mentioned in our previous letters, we invite you to consult the map published by the [World Health Organization](#), the [Kaiser Family Foundation](#) tracker, the [Civil Protection Department](#) map and the [GIMBE Foundation](#) and [Covid Trends](#) trackers, for an up-to-date view of the outbreak in Italy.

The [Cicero](#) advisory firm has created an effective global tracker of the public health and business relief measures taken in the various Countries.

For more details on the situation in the US, we recommend this [CDC webpage](#).

THE FIGHT AGAINST COVID-19

How long will it take to develop a vaccine for COVID-19?

A number of companies are working on a vaccine, as [Claris Ventures](#) reports in this outlook. Experts have not reached a consensus on when it will be ready, and the race to a vaccine risks to become a [geopolitical competition among superpowers](#).

In this context [Oxford University](#) is expected to begin testing next month, while [China has already announced](#) that vaccine development at the Military Academy of Medical Sciences has advanced and researchers are already recruiting volunteers for clinical trials.

In the United States, initial testing has begun on a vaccine developed by the biotech firm [Moderna, Inc.](#), in partnership with the [National Institute of Allergy and Infectious Diseases](#) (NIAID), an agency under the US Department of Health. The vaccine will be administered in the next weeks to 45 volunteers aged 18 to 55 at the Kaiser Permanente Washington Health Research Institute in Seattle.

Last but not least, one of the most vital research considered by the authorities concerning the measures to be taken on how to contain the outbreak was the [study](#) published by the [Center for Epidemiological Analysis and Modeling of Infectious Diseases](#) of the [Imperial College](#) of London, together with the [London School of Hygiene and Tropical Medicine](#). Their analyses have led to tighter restrictions in the fight against coronavirus in France and in the United States.

GLOBAL ECONOMIC OUTLOOK

As weeks go by, estimates of the potential impact on global economy proliferate.

In the March edition of the [Global Economic Outlook](#), Italy did not escape Fitch analysts' notice. As experts are saying, the country [was already weak before the coronavirus pandemic](#): Italian growth estimates for 2020 show a 2% drop, compared to the previously forecast growth of +0.4% while the world gross product growth rate has been halved from the +2.5% predicted in December to +1.3% (versus +2.7% in 2019). Growth estimates have been revised downwards for the US economy as well. It could slow by [14% in the second quarter](#) of this year.

We would also like to draw your attention to the outlook published by the [Congressional Research Service](#) on the global effects of the crisis – and policy responses – along with an analysis by [Cerved](#) on two different pandemic impact scenarios for industries and Italy.

These are difficult times for the Milan stock exchange and other financial markets. Markets plummeted amid fears linked to the COVID-19 emergency, with unprecedented financial and sanitary disruptions, which will inevitably have repercussions over the next few months, as explained by [David Kostin](#), Chief Equity Strategist at Goldman Sachs. [Warren Buffet](#) notes that predictions are impossible in this situation, which is still unfolding.

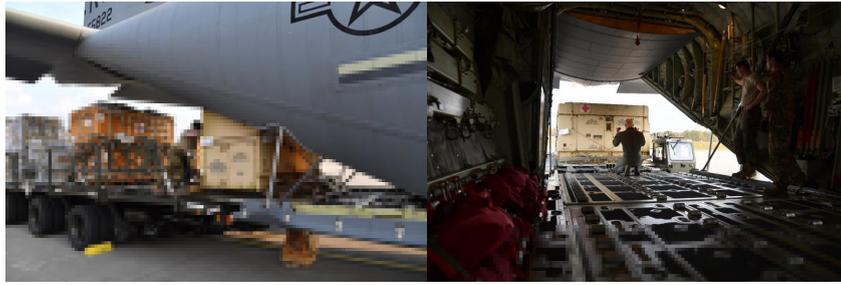
THE FRIENDSHIP BETWEEN ITALY AND THE US

[Morgan Ortagus](#), spokesman for the US Department of State, assures us that the United States' friendship with Italy is strong and its help tangible and immediate. The US will continue to support Italy, which in the meantime has [requested US military assistance](#) to enforce the Prime Minister's directives.

In addition, on Tuesday, March 17th, a DC8 landed at the Verona Villafranca airport, arriving directly from the United States and carrying medical and logistics personnel, as well as medical equipment provided by the humanitarian organization [Samaritan's Purse \(SP\)](#) for the COVID-19 emergency. This invaluable support will make it possible to set up a **field hospital in Cremona**, with 60 beds and 8 intensive care units.

Heading in the opposite direction, on Monday, March 16th, the US Air Force took [500,000 coronavirus test kits](#) from the Air Force base in Aviano, near Pordenone, to Memphis, Tennessee.

The company that produces the swabs, [Copan](#) is based in Brescia, and received an order from the US for [millions of dollars](#).



The [European Command](#) (EUCOM) has also expressed its solidarity and sent, from the Ramstein Air Base (Germany), through the 6th Airlift Wing C-130J Super Hercules, to the Aviano Base, an En-Route Patient Staging System (ERPSS), a **military structure with 10 beds** that can take up to 40 patients in 24 hours.

Furthermore, [US Charitable Trust and Fondazione Policlinico Universitario Agostino Gemelli IRCCS](#) have reached a partnership in which the American trust will help finance **investments in equipment and materials by the Center for Infectious Diseases at the Gemelli Polyclinic** to contain the outbreak in order to slow the rate of new coronavirus patients.

THE VIRUS'S IMPACT ON BUSINESSES AND SOCIETIES

Considering the measures taken to contain the outbreak, the impacts that this pandemic is having on societies and businesses should not be overlooked.

In response to the medical emergency and to prevent a lack of supplies throughout the Country, many companies are converting their production to meet demand for essential products that are increasingly in short supply, like face masks, ventilators and hand sanitizer. An interesting [article in Il Sole 24 Ore](#) highlights the main cases.

In times like these, however, it is crucial to stay calm and reassure employees to prevent the spread of panic: Dinesh Paliwal, CEO of Harman, [talks about the difficulties and duties of CEOs at this time](#), which also offers many opportunities. Moreover, there [is increasing evidence](#) that emotions play a fundamental role in business.

COVID-19 will certainly have psychological impacts that are currently difficult to estimate. Gordon Lichfield, Director of the [MIT Technology Review](#), has devoted ample consideration to an [analysis of the changes](#) in our personal lives and in the business world as a result of this pandemic, changes that will remain in place even after it has been curbed.

According to [Psychology Today](#), we are learning a new way of living our daily lives and rediscovering aspects that had once seemed lost – from not taking for granted even the smallest act of kindness to an unprecedented sense of global cooperation – thanks to this emergency, which in a few short weeks has completely turned the habits and lives of millions of people upside down.

THE GOOD NEWS

In the previous edition of this newsletter, we reported on the Italian company [DiaSorin](#)'s progress in developing innovative solutions to test for the virus. In recent days, the [FDA approved the kit](#) developed by the company, which uses swabs that can be analyzed directly in a hospital's diagnostics lab, so they need not be sent to external labs.

Using [IBM's Summit supercomputer](#), researchers at the [Oak Ridge National Laboratory](#) and [University of Tennessee](#) have identified 77 chemical compounds that could be used to develop a COVID-19 vaccine.

Furthermore, [IBM has launched a new and important initiative](#) in collaboration with the White House Office of Science and Technology Policy and the U.S. Department of Energy for the "[COVID-19 High Performance Computing Consortium](#)", which will combine all the most powerful computers in the world to help researchers around the globe gain a better understanding of COVID-19, how to treat it and potential cures. Dr. Perri Klass is also optimistic and writes about the benefits of a vaccine in a column for the [New York Times](#), citing in particular the social benefits.

In addition, in these unfortunate circumstances, it is good to know that CO2 [pollution levels](#) in the atmosphere are diminishing. Satellite imaging by [NASA](#) show a **dramatic drop in nitrogen dioxide emissions** – which are created by cars, electric power plants and factories – in the areas most affected by the virus. Experts soon expect [similar drops in the United States as well](#), for example in New York, where traffic congestion this week was 17%, compared to 52% in the same period of 2019.

We are pleased to highlight the extraordinary initiatives by [Intesa Sanpaolo](#) and [CDP Group](#), which are **investing in the future to support businesses and communities, in order to ensure continuity and productivity, laying a solid foundation for the Country's recovery.** The European Commission has approved the use of an initial tranche of structural funds totaling roughly [Euro 800 million](#) (ERDF and ESF) for healthcare, employment and relief for the most affected industries, starting with tourism.

THE AIR TRAFFIC SITUATION IN ITALY AND TO/FROM THE UNITED STATES

Linate airport was closed as of March 12th to passenger air traffic, and all flights have been rerouted to Milan Malpensa.

We recommend visiting the news section of [Flightglobal](#) and the [Airfare Watchdog](#) website for real-time updates on the air traffic situation.

The Italian Embassy in the United States has taken steps, together with Alitalia, to keep a connection with the US open. Specifically, two regular flights per day from JFK to Rome-Fiumicino will continue operating, with possible reductions to one flight per day since March 18th. **Passengers must wear masks on all Alitalia flights for everyone's health and safety.**

LEGAL NOTICE

With regard to this emergency, you may consult the legal notices published by our Members. [Morri Rossetti e Associati](#) has prepared a guide to the Government measures, which provides information and pragmatic answers in response to tax and legal questions from managers and business owners.

Pedersoli Studio Legale has drawn up two comprehensive tax law updates on the Decree-law of March 18th ([DOC 1](#)), explaining the main regulatory measures affecting employment ([DOC 2](#)), and an in-depth analysis of the effects of COVID-19 on civil law cases ([DOC 3](#)).

HOW TO SUPPORT THE HEALTHCARE SYSTEM

The fight against Coronavirus is being waged through the extraordinary solidarity in which many of you have taken part, with generous donations to support medical personnel throughout the Country.

We have gathered, [on this page](#), some of the most important charitable initiatives launched in recent days.

We also report the important campaign launched by the [Robert F. Kennedy Foundation of Italy Onlus](#) to raise funds for the purchase of medical devices for Civil Protection.

[Support the RFK Emergency Fund against COVID-19](#)

Please let us know (cremona@amcham.it) what your company has done, in terms of donations and/or assistance, to help our Country overcome this crisis. We would be delighted to highlight your initiatives in the next few days on our website and in the upcoming editions of this newsletter.

Now, more than ever, we are called upon to demonstrate the strength and generosity of the Italian-American business community!

Link Utili

Ministry of Health

Civil Protection Department

World Health Organization

Istituto Superiore di Sanità

Lombardy Region

Office of the Prime Minister

EpiCentro

Department of State

Rules of Hygiene



[SALUTE.GOV.IT/NUOVOCORONAVIRUS](https://salute.gov.it/nuovocoronavirus)



Sincerely,
AmCham Italy

Stay connected!



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